

H-3120-1 - COMPETITIVE LEASESIntroduction

This Handbook Section provides guidelines in accordance with the Mineral Leasing Act of 1920, including the Federal Onshore Oil and Gas Leasing Reform Act of 1987 (Reform Act), enacted on December 22, 1987, for competitive oil and gas leasing of available lands (Case Types 312021 and 312022 in Case Recordation and Record System Release 1.0 (Alaska) of the Automated Land and Mineral Record System (ALMRS)). The procedures addressed include preparation of parcels of land for listing in the Notice of Competitive Lease Sale, preparation and distribution of the sale notice, sale preparation and conduct of the sale by oral auction, adjudication of the high bids, and awarding of the leases or rejection of bids. Under the Reform Act, which significantly changed the BLM's onshore oil and gas leasing program procedures, lands cannot be leased until they are first offered competitively at an oral auction. The Reform Act requires that each BLM State Office offer eligible and available lands for competitive lease offer on not less than a quarterly basis.

Additional guidelines are provided for special leasing situations, including the sale of future interest lands (ALMRS Case Types 312023 and 312024), the sale of underlying interests in accordance with 43 CFR 3120.1-1(c), lands within gas storage agreements, lands reported as excess to or surplus by the General Services Administration for which the authority to lease has been delegated to the Department of the Interior (ALMRS Case Type 312013), competitive leasing within National Wildlife Refuge System lands in the lower 48 States when such lands are being drained, and protective leasing (ALMRS Case Type 312014) in accordance with the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41) for lands subject to drainage that are not available for leasing under the 1920 or 1947 Acts (other than those lands included within units of the National Park System listed under 43 CFR 3100.0-3(g)(4)) or for lands withdrawn for certain purposes within National Wildlife Refuges within the lower 48 States.

Finally, this Handbook Section provides guidelines for compensatory royalty agreements relating to lands in which the United States owns both a present interest and a future fractional interest, under 43 CFR 3120.7-3 (ALMRS Case Type 318110).

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